

7 August 1981

FILE COPY

MEMORANDUM FOR: Deputy Director of Communications

VIA: Director of Logistics  
Director of Communications25X1 FROM: [REDACTED]  
Deputy Director of Logistics

25X1 SUBJECT: Logistical Support to OC Recapitalization [REDACTED]

Wally:

1. As we discussed, I am enthused about the prospect of the Office of Communications Recapitalization because:

- o This is the first opportunity we have had in several decades to reexamine the manner in which we provide logistical support to the Office of Communications' worldwide network.
- 25X1 o At the present time, in excess of [REDACTED] of all logistical support goes to the Office of Communications, and as such, you are our "largest and best" customer.
- o The Recapitalization occurs at a time when we are in the throes of reviewing our own organizational structure and the tools available to us, specifically our data processing systems, to meet Agency logistical requirements.

25X1 In view of the importance of the Recapitalization to us, I asked [REDACTED]  
25X1 [REDACTED] to suggest other conceptual approaches we might employ to provide logistics support to the Office of Communications in lieu of the one presently in effect. This is not to suggest that the present system may not remain the best for us, but rather, we should take advantage of this unique opportunity to reexamine, and if necessary, change it. [REDACTED]

25X1 2. [REDACTED] suggested approach to supporting the Recapitalization is described in the attached memorandum and represents a significant departure from current practices. It also represents views that are not supported by some of our line managers and, for that matter, does not entirely represent my own views. However, some of the ideas he has put forth do, I think, provide an opportunity to make significant  
25X1 improvements in the support we provide. [REDACTED]  
25X1 [REDACTED]

25X1 SUBJECT: Logistical Support to OC Recapitalization [ ]

25X1 3. [ ] views will, I hope, provide a point of beginning for  
further discussions regarding the ways in which we might improve our  
support to you. I would hope that you would be able to distribute  
25X1 my memorandum, as well as [ ] to the appropriate personnel working on  
the Recapitalization so that they may state their views regarding  
25X1 some of the ideas expressed and, most important of all, make suggestions  
that may not have occurred to [ ] as to how we might change or improve  
our current approach to logistical support. Whatever support structure  
is developed during the Recapitalization and its maintenance and operation  
period will undoubtedly remain in use for some time to come - probably  
the remainder of our careers! For that reason, I hope your personnel  
can take the time to give very serious consideration to the ideas presented  
and put forth other ideas which may be of value to us. We can and  
ultimately will leave it to senior management of both offices to decide  
jointly which ideas can and should be pursued. From our point of view,  
nothing that we presently do is considered sacred or impossible to change,  
25X1 and I hope your own personnel will respond in kind. [ ]

25X1 4. Please let me know of anything that I can do to move this  
process along as quickly as possible, particularly on those aspects  
25X1 immediately required to implement the Recapitalization. [ ]

[ ]

Attachment:

As stated

cc: D/L, w/att  
D/CO, w/att

25X1 SUBJECT: Logistical Support to OC Recapitalization

Distribution:

Original - Addressee, w/att

25X1 ① OL/P&PS (Official), w/att  
1 - , w/att  
1 - DD/L, w/att  
1 - DD/L Chrono, w/o/att

25X1 DD/L:  (6 August 1981)

**CONFIDENTIAL****27 JUL 1981**

MEMORANDUM FOR: Director of Logistics  
Deputy Director of Logistics

FROM:

SUBJECT: Logistics Planning for the Office of Communications (OC)  
Recapitalization Program

1. In conjunction with the OC Recapitalization Program, the Deputy Directors of Communications and Logistics asked for some alternative "logistics strategies" to implement Recapitalization. Attached is a two-part proposal on how OC and OL can approach the problems and delivery of logistics support. A logical alternative to the proposal is to retain the present system. The proposal has not been formally coordinated or concurred in by either OC or OL. With your concurrence, I suggest the attachment be sent to OC and to your OL managers for comment. The end result being sought is an agreement within and between the offices as to the conceptual approach to be taken on logistics support over the next five-to-ten years.

2. Any discussion of logistics support to OC must recognize that that support is not restricted to services provided by OL (Procurement, Real Estate, Supply) to OC. Much of the logistics role is played within OC at Headquarters, the OC facility at  the area depots, and at each terminal site. The two parts of the proposal are keyed to that division of responsibility.

a. To enhance service from OL to OC, a requirement should be established for a formal logistics planning effort for each major project and/or acquisition. The planning, performed under the control of the OC Project Officer, provides an opportunity for OL to identify and prepare for logistics requirements and influence OC decisions that affect logistics requirements.

b. A basic change in the technology being supported is driving towards a more centralized OC logistics system. To take advantages of existing capabilities of both OC and OL, it is recommended that the OL facility  be expanded to provide all logistical support to newly deployed

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SUBJECT: Logistics Planning for the Office of Communications  
Recapitalization Program

systems. In essence, I am suggesting an OL field depot located within [redacted] Although not a part of the proposal, a projected decline in the activity at OC field depots may eventually lead to their closure. [redacted]


c. Of particular interest to you are the elements in the proposal that delegate limited procurement authority to the new OL facility and that create an allocation in your OL stocks for expended material. The procurement authority duplicates that found in the area depots and is intended to enable OC to respond to quick-reaction requirements world wide; primary procurement support would still come from OL. The new allocation also duplicates the ability OC now has to store expended material in their field depots, where it can be issued without regard to financial or fiscal year limits. The procedure enables OC to take advantage of OL's inventory management capabilities and is, to a limited degree, being exploited today in [redacted]

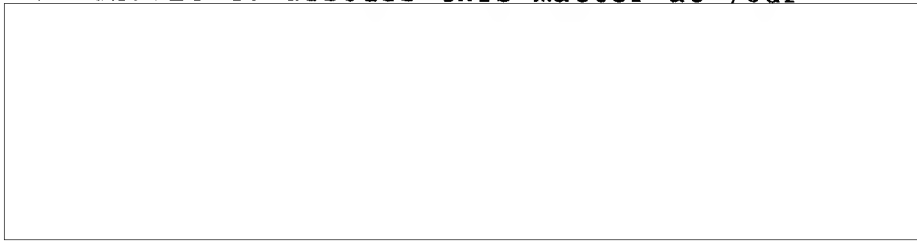
3. An advantage of both proposals is that neither represents any radical shift in the relationship between the two offices nor in the delivery of services to on-going activity. A logistics planning requirement for major acquisitions formalizes and strengthens the coordination process that does, or should, take place today. The conclusion that a central logistics facility is the way to go is a logical extension of the past and projected growth in the use of modular equipment and the associated trend for less piece-part supply from field depots. It is also supportive of the need for better control over the deployment of new equipment, which is exemplified by the greater involvement of OC Headquarters in scheduling and coordinating installations. By relying primarily on the central facility to support deployment and installation, you can expect the facility to grow at the same rate as Recapitalization's deployment while field activity in support of "old" systems shrinks proportionately. [redacted]

4. Not addressed in the proposal are OL resource requirements. Work activity will increase (double) regardless of the acceptability of the logistics approach selected, with OC accomplishing in a five-year period what would normally represent ten year's effort at current budget levels. My feeling is that two additional personnel will be needed in each of the supply, engineering, and procurement functional areas, and three more supply officers would be required if the central facility totally supports new deployments. [redacted]

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SUBJECT: Logistics Planning for the Office of Communications  
Recapitalization Program

25X1 5. The Deputy Director of Communications has scheduled a planning session for 17 August to discuss Recapitalization management concepts. He has been briefed on the above proposals, and I expect will discuss them at that meeting. 

25X1 6. I am available to discuss this matter at your convenience. 

Att

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LOGISTICS SUPPORT  
TO THE  
OFFICE OF COMMUNICATIONS

I. INTRODUCTION

- Recapitalization provides an opportunity to reevaluate the ability of the logistics mechanism to support OC requirements.

II. SCOPE

- Purpose of discussions is to determine conceptual approach to OL logistics support for next 5-10 years.

III. REQUIREMENTS

- Logistics activity virtually doubles for next five years.
- Growth in use of modular, solid state equipment, which requires expensive and specialized test and repair facilities, will result in 80% of deployed equipment being supported by central repair facility.
- Direction and control of deployment and installation scheduling is shifting from areas to Headquarters.
- Requirements for piece-part resupply and exchange/repair service by areas will diminish.
- Growth and upgrading of domestic field network will require new support capability.
- Non-OC programs such as CRAFT and ODP terminals may rely on OLC for exchange/repair service.
- Increase in transportation requirements and high transport costs require more efficient use of available funds.

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#### IV. LOGISTICS PLANNING OBJECTIVES

- Provide a logistics mechanism that responsively supports deployment and operations of new technology.
- Make use of existing OC and OL capabilities that maintain or enhance responsiveness.
- Enhance OC management control over the deployment phase of Recapitalization.
- Impose controls over cost and use of support assets within both OC and OL.
- Minimize disruptions to Recapitalization schedules.

#### V. PROPOSED APPROACHES

##### A. Acquisition Phase

- Prepare logistics plan for each project and/or major acquisition prior to completion of an RFP.
- Ad hoc planning group comprised of representatives of OC engineering, logistics, and maintenance and OL procurement, engineering, and supply, reporting to project officer.
- Plan is to address specific logistics and support requirements, approach to handle requirements, and responsibilities of various components.
- (See attached discussion)

##### B. Deployment Phase

- Staging and movement of installation equipment and materials directed, controlled, and coordinated at Headquarters (to mesh with contractor/staff installation and training team travel).
- Majority of shipments made according to planned twelve (?) month schedule that tracks survey, site preparation, coordination, Bill of Material listing, staging, shipment, team travel.

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- Installation hardware and tools prepaced by OL central distribution point (standarized list or specific task)
  - OL central stock of standard installation items.
- Minimize change in schedule by creating and drawing on reserve stocks and personnel.
- Use existing domestic and foreign storage facilities as break-bulk and transshipment purposes only.
- OC central facility responsible for quick reaction support to installation teams in field.
- All other things being equal, pattern of deployment should have:
  - acceptance at plant
  - vendor export pack
  - transport by most direct means to user
  - sea ship only where containers and reliable schedules permit, or when local site storage facilities permit shipment well in advance of installation.

### C. Operational Phase

- Single Repair/Distribution: Center to support deployment and operations of systems.
  - In recognition of the changing technologies present in new systems, it is recommended that the long-term approach to logistics support be based on a single distribution/maintenance center (Field Support Facility, or FSF) operating under the control of the Office of Communications. That recommendation reflects the inevitable growth of the central maintenance effort and a diminishing role for field depots in provideing piece-part and installations hardware support. The centralize facility is consistent with and supportive of the growth and operations of a modern domestic network and with the deployment and support of CRAFT-like systems domestically and overseas.

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- To the extent that new systems will be supported from the FSF and old systems will continue to be supported by the present system of field depots, the FSF will grow along with (at roughly the same rate as) the deployment of Recapitalization systems. The role of field depots relative to Recapitalization activity will be limited to providing storage and transshipment for bulk shipments without inspection or repackaging. No build-up of a field support capability (spares, parts, supplies, test equipment, and repair facilities) will be undertaken.
- As is done today, each terminal site and relay will maintain its own bench stock of spares and supplies. In the absence of an adjacent depot, relays may expand their bench stocks. Re-supply for new systems will be obtained from the FSF. For purposes of the logistics architecture, DND's Metropolitan Washington complex is regarded as a relay, although it may be feasible to permit manned facilities in outlying buildings to function as discreet field terminals and obtain support directly from the FSF.

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- Use and build on existing OC and OL facilities.
- Direct response to field operational requirements (direct cable links), with information copies to operating divisions and areas.
- OC managed, with limited packing, transportation, and procurement authority.
- Staffed by OL careerists
- Relies primarily on OL capabilities; packing, transport, and procurement authority limited to critical, operational needs.

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- Inventory

- Establish automated property in use accounting system (Type II ASAPS) that will eventually record all OC material.

Improves use potential of available assets.

Captures data from normal flow of material from central point.

Improves configuration control and management information for network operations and capabilities.

- Place all piece-parts, installation hardware, and reserve equipment in OL-managed control stocks, in an expensed allocation.

Uses materials handling and inventory management capabilities of OL.

Does not change MPA/PRA systems, but relieves OC of financial and management concerns associated with standard stock allocations.

Issues made to central facility and end users direct.

VI. IMPLEMENTATION

- Designate full-time logistics officer to document planning procedure, develop and pursue plans for new or expanded OL central facility, develop standard procedures for requesting providing support, and develop staffing requirements to support operation.
  - Target date for full operation is late 1982, in time to support new HF systems.
- Designate full-time communications officer to direct purge of non-moving and replaced stock and in-use property.
  - Develop criteria that can be applied to all non-moving items (determine specific cause for not disposing of non-moving items).
  - Target for completion of disposal plan is six months prior to deployment of new systems.
- Identify hardware standards and anticipated use (OC), and build up inventories.

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## LOGISTICS PLANNING

To ensure that adequate consideration is given the logistical implications of each major acquisition, it is recommended that advance logistics planning become a prerequisite to the issuance of an RFP. This can be accomplished by requiring the OC project officer to convene an ad hoc logistics plans Working Group comprised of representatives from OC Engineering, Maintenance, and Logistics and from OL Procurement, Supply, and Construction functional areas. The Group will be tasked with identifying logistical requirements and recommending the approach to be taken for each requirement. Upon acceptance of those recommendations by the project officer, the Group will identify the component responsible for implementation. The conclusions of the Working Group (requirements, approved decisions, and tasking) will be documented in the OC project and the OL contract files prior to completion of the RFP. Elements to be specifically addressed in the file are the approaches to be taken to:

## Contracting Method

Acceptance (plant, depot, site; integrated system or sub-system; individual, batch)

Packing (Vendor design, Agency designed reuseable, Agency designed export; spares kits design)

Transportation (Vendor through staging to user)

Spares (Systems, components, piece-parts; quantities; documentations, procurement plan)

Operating Supplies (Initial provisioning; distribution)

Staging, Storage (Special requirements; relationship of production to installation rates)

Maintenance (Depot, area service, user)

Facilities (Survey, design, coordinations, contract management)

Supplemental Resource Needs (OC and OL)

As envisioned, neither the Working Groups' activities nor the documented logistics plans need to be lengthy. The group environment provides an opportunity for information exchange to ensure that essential decisions are knowledgeably made, reducing risks of oversight. Tracking of the execution of the logistics plan is the responsibility of the Project Officer, who may require supplemental reporting of details.